

FILE MEMORANDUM

CEBG

Date: January 24, 1991

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Subject: NET

On January 18, 1991, Cliff Lilly expressed concern about patent coverage on NET facilities.

Harold Burnley provided me a memorandum from Hultz, dated January 4, 1991, and a proposal from the Kellogg Company dated January 10, 1991.

On the same day, I conferred with Dr. Cho. He explained how the new NET process differs from DIET according to the marked up copy of Attachment B of the Kellogg proposal.

We also walked through the patent docket for NET.

With regard to PM 1461, on the low pressure - temperature tobacco impregnation, he advised that this disclosure is not mainstream, is still under research and that data is not ready. It has been discovered that the process is complicated and that if you change either OV temperature, pressure, residence time or stability, the results vary.

With regard to PM 1462, on a continuous impregnation and expansion process, he advised that the process apparently has not worked to expectations and that the disclosure should be placed on low, low, low priority.

With regard to PM 1463, on a semi-continuous gaseous impregnation and expansion process, he advised that work is on going with substantial changes. In this connection, Dr. Cho provided me a document entitled "Scope of Work, Development of Gas Supply/Recovery Process for Tobacco Impregnation" which discloses a conveyer-type system or a semi-continuous process. This document being forwarded to Fish & Neave for inclusion in PM 1463.

With regard to PM 1500, on the high pressure rotary valve, Dr. Cho advised that final drawings are available. He further advised that the arrangement was found to be troublesome for NET applications and that it generated heat from movement of the pocket forming portion relative to the housing. He advised that the food businesses of Philip Morris might be interested in this valve.

Regarding PM 1510, Dr. Cho advised that we should contact Walt Nichols regarding the pilot model for a linear pocket feeder application.

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Regarding PM 1522, Dr. Cho said this application for a process for impregnating tobacco should have the highest priority of all the cases and that Jose has data. However, both Jose and Joe Dobbs are heavily scheduled until on or about February 6.

As to other dates, a meeting of PM International participants in use of NET are scheduled to meet here in Richmond February 12, 1991. A further meeting is scheduled sometime in early February or late January regarding their NET proposal. The exact date is unknown.

The process outlined on Attachment B includes a modified reordering station as indicated on the handdrawn sheet enclosed. In the conventional reordering cylinder, water is sprayed on tobacco that comes in at 3% OV. The use of spray nozzles in the conventional reordering cylinders causes some collapse and inconsistency with the final product, the new system when reviewed is to include a multi-deck channel through a reordering chamber where graduated reordering helps subjectives in the final product. Moisture laden air is input through the system in a counterflow arrangement relative to the expanded tobacco.

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